

Message Text

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C O N F I D E N T I A L CAIRO 1833

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SUBJECT: CODEL PRICE

1. CODEL PRICE VISITED EGYPT 14-17 FEBRUARY. VISIT WENT WELL AND THE CONGRESSMEN WERE ABLE TO MEET WITH PRESIDENT SADAT, (REPORTED SEPTEL), PRIME MINISTER HEGAZY, FOREIGN MINISTER FAHMY, AND MINISTER OF WAR GAMASSY. THE GENERAL THEMES IN THESE MEETINGS WERE: (A) MINISTERS WERE PLEASE WITH THE STEP BY STEP APPROACH TO THE PROBLEMS IN THE MIDDLE EAST AS LONG AS THERE WAS FORWARD MOVMENT; (B) RELATIONS WITH THE UNITED STATES ARE BETTER THAN ONE YEAR AGO; AND (C) THE ARMED FORCES ARE IN A WEAKER POSITION THAN THEY WERE PRIOR TO THE OCTOBER WAR BECAUSE EGYPT HAS RECEIVED NO MAJOR ITEMS OF MILITARY EQUIPMENT FROM THE SOVIET UNION TO REPLACE HER WAR LOSSES. SALIENT COMMENTS MADE BY THE MINISTERS FOLLOWS.

2. MEETING WITH PRIME MINISTER HEGAZY, 16 FEBRUARY: THE PM INDICATED THAT THE CLIMATE FOR A PEACEFUL SOLUTION IS NOW BETTER THAN IT WAS ONE YEAR AGO. HEGAZY CLAIMED THAT EGYPT IS NOW SPENDING IN EXCESS OF 30 PERCENT (2.5 BILLION) OF HERGNP FOR DEFENSE NEEDS AND THIS IS A SEVERE DRAIN ON HER ECONOMY. HEGAZY GAVE AN EXAMPLE OF THE MAGNITUDE OF THE ECONOMIC PROBLEM WHEN HE ILLUSTRATED THE POINT THAT FIVE BILLION POUNDS ARE REQUIRED TO RESETTLE THE EVACUEES FROM THE CITIES OF THE SUEZ CANAL AREA. "THESE PEOPLE NEED HOUSING, ELECTRICITY, WATER, SEWERAGE, AND ALL THE THINGS ASSOCIATED WITH THE RECONSTRUCTION OF THE

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CITIES." ALSO, THE GOVERNMENT IS WORKING ON RESTORING

RAILROAD COMMUNICATIONS TO THE AREA. RESPONDING TO A QUESTION, THE PM SAID THAT IT WAS MUCH TOO EARLY TO DISCUSS THE QUESTION OF ARMS LIMITATIONS IN THE MIDDLE EAST. "BEFORE EGYPT CAN ACCEPT SUCH A POINT," HEGAZY SAID, "SHE MUST FIRST LIBERATE THE LAND OCCUPIED BY ISRAEL; THEN WE WOULD WELCOME ARMS LIMITATIONS IN THE MIDDLE EAST." REFERRING TO EGYPTIAN MILITARY STRENGTH, THE PM ALLEGED THAT COMPARING EGYPTIAN MILITARY STRENGTH IN OCTOBER 1973 TO TODAY, THE ARMED FORCES ARE WEAKER AS A RESULT OF THEIR NOT RECEIVING REPLACEMENT OF MAJOR MILITARY EQUIPMENT WHICH WAS LOST DURING THAT WAR. THE CONGRESSMEN RAISED THE PROBLEM OF OIL, AND HEGAZY RESPONDED, "WE SHOULD NOT TALK ABOUT OIL WHEN DISCUSSING PEACE IN THE MIDDLE EAST BUT RATHER SHOULD BE CONCENTRATING ON REDUCING ARMS SHIPMENT TO ISRAEL." HE THEN GAVE AN EXAMPLE OF OTHER ECONOMIC PROBLEMS WHICH FACE EGYPT SUCH AS THE RECENT INCREASE IN THE PRICE OF WHEAT WHICH CAUSED EGYPT TO SPEND AN ADDITIONAL \$600 , MILLION TO SUBSIDIZE THE PRICE OF BREAD.

3. MEETING WITH FOREGIN MINISTER FAHMY, 16 FEBRUARY:
THE FON MIN STATED THAT HE TOO WAS IN FAVOR OF A STEP-BY-STEP APPROACH IN SETTLING THE PROBLEMS IN THE MIDDLE EAST. IN RESPONSE TO A QUESTION, THE FONMIN COMMENTED THAT THE NEXT STEP SHOULD BE A SMALL STEP AND THAT THE TIME IS NOT RIPE TO ATTEMPT TO TACKLE THE PROBLEM OF JERUSALEM OR A FINAL SETTLEMENT FOR THE PALESTINIANS. HE SAID THAT IF AMERICAN WOULD STOP GIVING ARMS TO ISRAEL, THAT THE EGYPTIANS WOULD STOP OBTAINING ARMS FROM THE SOVIETS OR ANY OTHER SOURCE. HE THEN ADDED THAT, "YOU AMERICANS MAKE ISRAEL STRONGER THAN NOT ONLY ONE ARAB STATE OR THE CONFRONTATION STATES, BUT YOU INCLUDE ALL TWENTY ARAB STATES AND EVEN MAKE ISRAEL STRONGER THAN ALL OF THEM." THE FONMIN THEN SAID THAT, "ISRAEL NOW STATES THAT SHE MUST HAVE THE LAND SHE IS NOW HOLDING FOR HER SECURITY; HOWEVER, WHEN SHE HAD THE BAR LEV LINE ON THE SUEZ CANAL, SHE SAID SHE NEEDED TO HOLD THAT TERRITORY FOR HER SECURITY. OBVIOUSLY, ISRAEL WANTS TO HOLD AS MUCH TERRITORY AS POSSIBLE IN VIEW OF HER EXPANSIONIST POLICY."

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4. MEETING WITH MINISTER OF WAR GAMASSY, 15 FEBRUARY:
THE MINWAR STATED, "THE OCTOBER WAR LIBERATED ONLY A PART OF OUR OCCUPIED LANDS, AND WE STILL INSIST WE MUST OBTAIN THE REST OF OUR OCCUPIED LAND BY PEACE OR WAR." THE MINWAR THEN TURNED TO THE SOVIET AIRLIFT DURING THE OCTOBER WAR AND HE STATED THAT HE BELIEVED THAT WHILE ISRAEL HAD RECEIVED 22,300 TONS OF EQUIPMENT FROM AMERICA, EGYPT HAD RECEIVED FAR LESS THAN THAT. THE MINWAR THEN

COMMENTED THAT ACCORDING TO RABIN. THE ISRAELIS WILL HAVE BY THE END OF THIS YEAR 50 PERCENT MORE TANKS, 85 PERCENT MORE ARTILLERY, 25 PERCENT MORE ARMOR, AND 20 PERCENT MORE AIRCRAFT THAN THEY HAD AT THE BEGINNING OF THE YEAR. HOWEVER, THE MINWAR POINTED OUT THAT THE SOVIETS HAVE NOT REPLACED ANY OF THE EGYPTIAN LOSSES FROM THE OCTOBER WAR. HE THEN SAID, "TO BE SPECIFIC, WE HAVE RECEIVED NO PLANES, TANKS, OR NAVAL EQUIPMENT DURING THE PERIOD 6 OCTOBER 1973 UNTIL 29 JANUARY 1975." I HAVE HOWEVER, JUST RECENTLY RECEIVED A FEW AIRPLANES FROM THE SOVIET UNION AND THEY WERE THE FIRST ONES I GOT SINCE 6 OCTOBER 1973." AS YOU MAY KNOW, WE HAVE PURCHASED AIRPLANES FROM FRANCE, BUT TO DATE WE HAVE ONLY RECEIVED NINE MIRAGE-3S." "OF COURSE, WE DID RECEIVE AMMUNITION, SPARE PARTS, SOME VEHICLES, AND WIRELESS SETS." GENERAL GAMASSY THEN DISCUSSED THE DIFFERENCE IN THE QUALITY OF THE SOVIET EQUIPMENT WHICH HE HAS IN COMPARISON TO THE EQUIPMENT WHICH ISRAEL HAS. HE CONCLUDED WITH THE POINT THAT HE BELIEVED ONE PHANTOM AIRCRAFT IS EQUAL TO ABOUT SIX MIG-21S AND THAT THE OTHER EQUIPMENT HE HAS RECEIVED IS NOT ON A PAR WITH THE AMERICAN EQUIPMENT; THEREFORE, ISRAEL SHOULD NOT RECEIVE PLANE FOR PLANE OR GUN FOR GUN, BUT "YOU SHOULD HAVE THE PENTAGON MAKE AN EQUIVALENCY STUDY OF ALL THE EQUIPMENT INVOLVED." REGARDING CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL WARFARE, THE MINWAR SAID, "EGYPT DOES NOT EXPECT NUCLEAR WEAPONS TO BE USED IN THE MIDDLE EAST FOR A MINIMUM OF FIVE YEARS; HOWEVER, IF ISRAEL USES NUCLEAR WEAPONS, SHE WILL SUFFER THE CONSEQUENCES."

5. VISIT TO SUEZ AND BARLEV LINE: CODEL FLEW IN MI-8 (SOVIET) HELICOPTERS TO SUEZ ON 15 FEBRUARY FOR A ONE-DAY TRIP TO SUEZ CITY, PORT TAUFUQ, BARLEV LINE, AND THIRD ARMY AREA. PARTY WAS MET BY THE GOVERNOR OF SUEZ, THIRD ARMY COMMANDER, AND A SENIOR MILITARY DELEGATION. LUNCHEON WAS CONFIDENTIAL

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HOSTED BY THIRD ARMY COMMANDER AT HIS TACTICAL HEADQUARTERS. WHILE IN SUEZ, CODEL VIEWED RECONSTRUCTION EFFORTS, VISITED A HOUSING PROJECT UNDER CONSTRUCTION, AND RECEIVED A BRIEFING ON THE SUEZ CITY PLAN BY THE GOVERNOR OF SUEZ. THEN FOLLOWED A BUS TOUR OF SUEZ CITY, PORT TAUFUQ AREA, BARLEV LINE, WHERE STRONG POINTS WERE VIEWED, AND TOUR OF AREA WAS COMPLETED WITH A DRIVE-THROUGH OF SELECTED BATTLE AREAS.

6. SOCIAL ENGAGEMENTS: EVENING OF 15 FEBRUARY, MINWAR HOSTED A DINNER FOR CODEL AND LARGE GROUP OF HIGH RANKING MILITARY OFFICERS THAT INCLUDED COMMANDERS OF THE AIR FORCE, AIR DEFENSE, AND NAVY. AMBASSDOR HOSTED RECEPTION IN CONJUNCTION WITH OPIC EVENING OF 16 FEBRUARY AT WHICH TIME CODEL HAD AN OPPORTUNITY TO MEET PROMINENT EGYPTIANS AS WELL AS AMERICAN BUSINESSMEN.

7. THESE MEETINGS WERE CONDUCTED IN A WARM, CORDIAL, AND CANDID ATMOSPHERE. QUESTIONS RAISED BY THE CONGRESSMEN WERE FRANKLY ANSWERED TO THE SATISFACTION OF THE CODEL. CODEL DEPARTED EGYPT WITH A BETTER UNDERSTANDING OF THE EGYPTIAN POINT OF VIEW.
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